

Funding

EXCESS COSTS

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Excess Costs

What is Required

Excess costs are those costs that are in excess of the average annual per student expenditure in the District during the preceding school year for the elementary or secondary school student, as may be appropriate. Excess costs may be computed:

- After deducting amounts received under the Part B of the IDEA (“IDEA-B”), Part A of Title I, and Part A of Title III of the Elementary and Secondary Education Act (“ESEA”); and
- Any state or local funds spent for services under the IDEA-B, Part A of Title I, and Part A of Title III of the ESEA, excluding any amounts spent for capital outlay for debt services.

Requirements

To meet the excess cost requirements, the District must have spent at least a minimum average amount for the education of its students with disabilities before using IDEA-B funds. The District cannot use IDEA-B funds to pay for all the costs directly attributable to the education of the student with a disability, except that it may use IDEA-B funds, in compliance with the nonsupplanting and other requirements of this section, to pay for all costs directly attributable to the education of the student with a disability ages 3 to 5 or 18 to 21, if no local or state funds are available for nondisabled students of these ages.

Excess Costs Calculation

Before accessing IDEA-B funds, the District must calculate the minimum average amount it must spend separately for students with disabilities in elementary schools and for students with disabilities in secondary schools.

To calculate the minimum amount the District must spend on the average for each elementary school student with disabilities before it may use IDEA-B funds:

- Determine the total amount of expenditures for elementary school students from all local, state, and federal sources, including IDEA-B, in the preceding school year, excluding capital outlay and debt services:
 - Subtract from the total expenditures any amounts spent for:
 - IDEA-B allocation;
 - Title I, Part A of the ESEA allocation;

- Title III, Parts A and B of the ESEA allocation;
 - State and local funds for students with disabilities; and
 - State or local funds for programs under Title I, Part A and Title III, Parts A and B of the ESEA; and
- Divide by the average number of students enrolled in the District's elementary schools during the preceding year, including students with disabilities.

The District may only use IDEA-B funds for elementary school students with disabilities for excess costs over and above the minimum obtained when the District multiplies the number of elementary school students with disabilities in the District by the average annual per student expenditure.

To calculate the minimum amount the District must spend on the average for each of its secondary school students with disabilities before it may use IDEA-B funds:

- Determine the total amount of expenditures for secondary school students from all local, state, and federal sources, including IDEA-B, in the preceding school year, excluding capital outlay and debt services:
 - Subtract from the total expenditures any amounts spent for:
 - IDEA-B allocation;
 - Title I, Part A of the ESEA allocation;
 - Title III, Parts A and B of the ESEA allocation;
 - State and local funds for students with disabilities; and
 - State or local funds for programs under Title I, Part A and Title III, Parts A and B of the ESEA; and

Divide by the average number of students enrolled in the District's secondary schools during the preceding year, including students with disabilities.

The District may only use IDEA-B funds for elementary school students with disabilities for excess costs over and above the minimum obtained when the District multiplies the number of elementary school students with disabilities in the District by the average annual per student expenditure.

Additional Procedures

Excess Costs Calculation Timeline

To ensure compliance with the excess costs requirements each year, the District should perform both a preliminary and final calculation. The preliminary calculation, which should be completed as soon as possible after submission of the annual final expenditure report for the prior year, will be an estimate of excess costs. To complete the preliminary calculation, the District should use financial information available from its unaudited general ledger.

The District should then complete the excess costs final calculation after their annual audit is finalized. To do so, the District must use previous year expenditures based on the audited annual financial report.

The District should maintain supporting documentation related to the data and calculations for audit and monitoring purposes.

[ADD ADDITIONAL DISTRICT PROCEDURES AS APPROPRIATE]

Evidence of Implementation

- Excess Cost Calculator Tool
- Preliminary Excess Costs Calculation
- Final Excess Costs Calculation
- Documentation Related to Excess Cost Data and Calculations
- [DISTRICT FORMS]

Resources

[The Legal Framework for the Child-Centered Special Education Process: Excess Costs - Region 18](#)

[Appendix A to 34 CFR Part 300 - Excess Costs Calculation](#)

[Excess Cost - Texas Education Agency](#)

[IDEA-B LEA Maintenance of Effort \(MOE\) Guidance Handbook - Texas Education Agency](#)

[IDEA-B Excess Costs Guidance Handbook - Texas Education Agency](#)

[Excess Cost Calculator Tool \(Interactive\) - Texas Education Agency](#)

[ADDITIONAL DISTRICT RESOURCES]

CITATIONS

Board Policy EHBD; 34 CFR 300.16, 300.202; Appendix A to 34 CFR Part 300 – Excess Costs Calculation